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BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, DC 20268-0001

Permanent Addition of Extended Mail Forwarding Product to the Market Dominant Product List Docket No. MC2022-40

PUBLIC REPRESENTATIVE COMMENTS ON POSTAL SERVICE REQUEST TO CONVERT EXTENDED MAIL FORWARDING TO A PERMANENT OFFERING

(March 7, 2022)

On February 14, 2022, the Postal Service submitted a request to convert the experimental product Extended Mail Forwarding into a permanent offering pursuant to 39 U.S.C. § 3642 and 39 C.F.R. § 3645.18.¹ On February 16, 2022, the Commission issued a notice establishing March 7, 2022, as the deadline for commenting on the Request.²

I. BACKGROUND

The Commission has previously authorized a market test of Extended Mail Forwarding.³ Extended Mail Forwarding provides customers who submit a permanent change-of-address request with the option of extending forwarding of all First-Class Mail, First-Class Package Service Commercial, and Priority Mail mailpieces beyond a one year forwarding period. See Order No. 5591 at 1. On September 18, 2020, the Postal Service extended the geographic scope of the market test from nine postal districts to the entire

¹ United States Postal Service Request to Convert Extended Mail Forwarding to a Permanent Offering, February 14, 2022 (Request). In compliance with 39 C.F.R. § 3045.18(e), the Postal Service also filed a notice of its Request in the docket covering its market test of the Extended Mail Forwarding product. See Docket No. MT2020-2, United States Postal Service Notice of Request to Convert Extended Mail Forwarding to Permanent Offering, February 14, 2022 (Notice of Request). See also Docket No. MT2020-2, Notice of the United States Postal Service of Filing Errata to Notice of Request to Convert Extended Mail Forwarding to Permanent Offering, February 14, 2022.

² Notice and Order Concerning Request to Add Extended Mail Forwarding Product to the Mail Classification Schedule, February 16, 2022 (Order No. 6107). Order No. 6107 also appointed the undersigned to serve as Public Representative in this proceeding. *Id.* at 4.

³ See Docket No. MT2020-2, Order Authorizing Extended Mail Forwarding Market Test, July 20, 2020 (Order No. 5591).

nation.⁴ The Commission subsequently approved a Postal Service request for exemption from the \$ 10 million annual revenue limitation for the market test.⁵ Since its receipt of authorization to conduct a market test, the Postal Service has filed six quarterly reports as required by Order No. 5591.⁶

II. COMMENTS

For the Request to be approved, the Postal Service must address the requirements in 39 C.F.R. §§ 3045.18(b), (c), and (e). As summarized below, the Postal Service has satisfied the requirements of all three sections.

With regard to section 3045.18(b), the Postal Service demonstrates that it meets the requirements of subsection 3045.18(b)(1) because the product that it seeks to offer permanently is the same as the experimental product it was authorized to offer in Docket No. MT2020-2. See Request at 2-3. The Postal Service also demonstrates satisfaction of the requirements of subsection 3045.18(b)(2) because the product that it seeks to offer permanently has the same distinct costs and market characteristics as the experimental product it was authorized to offer in Docket No. MT2020-2. *Id.* at 3. Finally, the Postal Service demonstrates compliance with the requirements of subsection 3045.18(b)(3) because its Request is based on the same data collected from the market test in Docket No. MT2020-2. *Id.*

With regard to section 3045.18(c), the Postal Service satisfies the requirements of subsections 3045.18(c)(1) and (c)(2) by identifying Docket No. MT2020-2 as the experimental product proceeding on which the permanent product is based and by expressly identifying the one-to-one relationship between the experimental and permanent product. *Id.* at 3.

⁴ See United States Postal Service Notice of Material Change to Market Test, September 18, 2020.

⁵ Docket No. MT2020-2, Order Approving Request for Exemption, February 16, 2021 (Order No. 5834).

⁶ The first quarterly report covered the fourth quarter of FY 2020. See Docket No. MT2020-2, Letter to Secretary Erica A. Barker Providing Extended Mail Forwarding Data Collection Report for FY 2020, Quarter 4, November 10, 2020. The most recent quarterly report covered the first quarter of FY 2022. See Docket No. MT2020-2, Letter to Secretary Erica A. Barker Providing Extended Mail Forwarding Data Collection Report for FY 2022, Quarter 1, February 4, 2022.

To address the requirements of subsection 3045.18(c)(3), the Postal Service presents revenue data to support its assumption "that the market for Extended Mail Forwarding that has persisted over the course of the market test [in Docket No. MT2020-2] remains stable and will continue into the permanent product phase." *Id.* at 4. The Public Representative has reviewed the data relied upon by the Postal Service and is satisfied that it adequately addresses subsection 3045.18(c)(3).

In compliance with subsection 3045.18(c)(4), the Postal Service includes all data from its data collection reports from the market test in Docket No. MT2020-2. *See id.* at 4.

Finally, the Postal Service satisfies the requirements of subsection 3045.18(c)(5) by providing the product-specific costs associated with the development of the market test in Docket No. MT2020-2, which total \$505,938.29 (including program management and IT-related costs). See *id.* at 4-5.

With regard to section 3045.18(e), the Postal Service satisfies the requirement in this section by having filed a notice of its Request in Docket No. MT2020-2. See Notice of Request, *supra*, note 1.

III. CONCLUSION

The Public Representative submits that the Postal Service has adequately supported its request to convert the experimental product Extended Mail Forwarding into a permanent offering.

Respectfully submitted,

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